

Michael B. O'Neal  
Warner Norcross & Judd LLP  
900 Fifth Third Center  
111 Lyon Street, NW  
Grand Rapids, Michigan 49503  
Ph: (616) 752-2413  
Fax: (616) 222-2413  
[moneal@wnj.com](mailto:moneal@wnj.com)  
Attorneys for L.K. Machinery, Inc.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

----- X  
In re

GENERAL MOTORS CORP., *et al.*,

Chapter 11

Case No. 09-50026 (REG)

Debtors.

(Jointly Administered)

----- X

**LIMITED OBJECTION OF L.K. MACHINERY, INC. TO THE DEBTORS' MOTION  
TO APPROVE THE SALE PURSUANT TO THE MASTER SALE AND PURCHASE  
AGREEMENT OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS FREE AND  
CLEAR OF LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS**

L.K. Machinery, Inc. ("LKM"), by its undersigned counsel, hereby objects on a limited basis ("Objection") to the Motion to Approve the Sale Pursuant to the Master Sale and Purchase Agreement of Substantially All of the Debtors' Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests (Docket No. 92) ("Sale Motion").

In support of its Objection, LKM respectfully states:

1. On June 1, 2009, Debtors filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code ("Petition Date").
2. On June 1, 2009, Debtors filed their Sale Motion.

3. In the Sale Motion, Debtors petitioned the Court to approve a proposed sale of substantially all of its assets to Vehicle Acquisitions Holdings LLC, a purchaser sponsored by the United States Department of Treasury, pursuant to the Master Sale and Purchase Agreement and related agreements (the “MPA”), to approve proposed bidding procedures to govern the sale process, and to approve procedures for assuming and assigning contracts to the successful bidder.

4. Debtors are indebted to LKM for certain equipment (the “Equipment”) that was sold to Debtors and delivered to Debtors at the following address: General Motors, Powertrain Division, 105 GM Drive, Bedford, IN 47421 (the “Property”). Invoices and information regarding the Equipment is attached as Exhibit A.

5. LKM is in the process of filing and perfecting mechanics liens on the Property to secure the indebtedness for the Equipment.

6. It is unclear whether the Sale Motion provides that upon the Debtors’ sale of the Property, LKM’s lien rights will attach the proceeds of the sale, which they should under 11 USC 363.

7. Accordingly, LKM files this limited objection to preserve its rights in the proceeds of any sale of the Property.

#### **MEMORANDUM OF LAW**

8. The legal bases of LKM’s Objection are incorporated above. Therefore, LKM respectfully requests that this Court deem it satisfactory, or in the alternative, waives any further requirement of the filing of a separate memorandum of law in support.

**CONCLUSION**

WHEREFORE, LKM respectfully requests that this Court enter an Order providing that LKM's liens and lien rights in the Property transfer to the proceeds of the sale of the Property.

Dated: June 19, 2009

/s/ Michael B. O'Neal  
Michael B. O'Neal (P66247)  
Gordon J. Toering (P46409)  
WARNER NORCROSS & JUDD LLP  
900 Fifth Third Center  
111 Lyon Street, NW  
Grand Rapids, Michigan 49503  
Telephone: (616) 752-2413  
Fax: (616) 222-2413  
Email: [moneal@wnj.com](mailto:moneal@wnj.com)  
Attorneys for L.K. Machinery, Inc.

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